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Sent to

Ev. aff  
(Bldg.)

26 march 1958

The major problem in the utilization of the manpower resource in the Soviet economy basically is one of employing labor efficiently rather than one of providing a sufficient number of jobs. The constant pressure for a rapid rate of industrial expansion in the USSR, coupled with the historical and projected rates of increase in labor productivity, create a chronic shortage of qualified workers in the industrial labor force. The existence of unemployment in Soviet industry, under these conditions, is limited to the transitional type which occurs as workers seek alternative employment. Although the frequency of employment turnover in the USSR is difficult to establish, the great demand for labor undoubtedly minimizes the friction involved in such changes. The average period of unemployment is therefore probably short. Underemployment of the labor resource in Soviet industry may be appreciably aggravated by the inadequacy of an administered wage structure to allocate labor in the most efficient pattern. An additional problem, revealed by periodic campaigns in the Soviet press, is the apparent inability to rid the system of "loafers," who persist in profiting from illegal activities on the fringes of the economy, in spite of the existence of job opportunities in officially approved activities. You will be interested in knowing, however, that the average real wages of a U.S. worker drawing unemployment compensation are higher than the real wages of an employed Soviet worker.

The Soviet agricultueal labor force, although kept from increasing in size in recent years through the encouragement of urban migration, still is characterized by widespread underemployment. The labor force, extremely large by western standards, is kept busy, but with the inevitable consequence of low labor productivity per worker (about 15-20% of US) and low incomes. Further underemployment of the Soviet agricultural labor resource results from the failure to provide non-agricultural employment opportunities to rural workers during seasonally slack periods in agriculture.

*Typed - 26 March 1958*